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WORKINGMEN'S ACCIDENT INSURANCE— DISCUSSION.

F. L. HOFFMAN: The two interesting and instructive addresses by Professor Lorenz and Miss Eastman touched upon a most important phase of modern labor legislation. A tendency toward a more adequate method of labor protection is manifest throughout the world, and it is not, of course, limited to the United States. The plan proposed by Professor Lorenz is ingenious, but not, in my opinion, a practical solution of the problem which confronts us. I think we are all agreed that the risk to life and health in industry should not fall upon the wage-earner but upon the industry itself. The facts presented by Miss Eastman are a most valuable contribution to our very limited knowledge of the economic loss to wage-earners resulting from industrial accidents. That of course is only one important aspect of the problem, since industrial diseases, properly so-called, are an equally important cause of industrial distress. I wish Miss Eastman had gone further into the facts as she found them and had told us more about individual cases, which, in their final analysis, present the real problem which requires to be solved. Before there is any practical value in discussions of proposed labor legislation, most of all when such legislation involves consideration of insurance, a larger basis of fact is required, and the method to secure such fact is made clearly evident by the researches of Miss Eastman into the industrial accident problem at Pittsburg. As I conceive the problem, from perhaps an entirely different point of view, the best prac-

tical solution, for the time being at least, is offered by legislation along the line of the British Workman's Compensation Act of 1906. That act is not limited to industrial accidents, but also includes compensation for industrial diseases, and the term "workmen" is made to include everybody who is in the employ of another, with the exception of persons earning more than 250 pounds sterling per annum unless engaged in manual labor. The act, which went into operation on July 1, 1907, brought six million more workers within its privileges. It has properly been pointed out that among the most salutary of the new provisions contained in the schedule are those which require compensation in the case of death to be paid into court, and which require all agreements for the redemption of weekly payments by a lump sum, and agreements for settlements with dependents, or with persons under a legal disability, to be registered in court. The former of these provisions will go far, in the opinion of a commentator on the act, Mr. W. A. Wills, "toward preventing the squandering of these sums and toward securing their application to the purposes for which they are awarded."

I am of the opinion that the more carefully the workings of this act are considered, the more applicable this form of labor compensation will appear to be to our own method of legal procedure and conceptions of social justice.

With regard to the German system of so-called government insurance, it is necessary to keep in mind the all-important fact that what the German government does is not to furnish insurance in the strict sense of the term, but that the system is in fact and in truth a modified employers' liability on the one hand, and a modified poor-law provision on the other. I am not aware of anyone having

made a sufficiently thorough, critical, and analytical investigation of the system, with the one possible exception of the distinguished president of this Association; and, before any definite conclusions are arrived at with regard to the applicability of this system to any state in the United States, a much more competent and thoroughly impartial investigation of the actual workings of the different laws will be necessary, and in any event decidedly advisable. Personally I am of the opinion that, while the laws have accomplished much good, they have not on the one hand eliminated socialism, nor on the other have they brought industrial peace. The socialistic vote in Germany was never as large or as influential as it is at the present time, and there never have been as many strikes and lockouts in Germany as have occurred within recent years. It will not do in so important a matter as this to rely upon the official verdict, or the official publications written chiefly in praise of the working of the system, but what is needed is a thorough and dispassionate examination into the actual facts.

Such work as this Association is doing in advancing knowledge and by promoting an exchange of views must needs prove of great benefit in the course of time, and the members of this Association are to be congratulated on the success which has crowned their efforts to coördinate the work of the American Association to the corresponding efforts of similar associations throughout the world. After all, however, I can not but think that in this particular matter of adequate labor protection we are likely to derive the most practical results from a careful study of the English Workmen's Compensation Act of 1906, and of the painstaking investigations which have been made into the facts and conditions of English industry as incorporated in the most valuable report

of the Departmental Committee on Industrial Diseases. It is something very considerably to the credit of the state of Illinois that a similar commission should have been appointed in that state, and it is equally to the credit of the state of Wisconsin that there, for the first time, a beginning should have been made to inquire into the actual facts of industrial accidents. What we are in need of is more light, and towards this end both of the papers which have been read are valuable contributions of their kind.

C. R. HENDERSON: The criticism of Miss Eastman on the bill for workmen's insurance proposed by the Illinois Industrial Insurance Commission is just. The report which accompanied the presentation of the bill will show that the commission itself was fully conscious of the imperfections which Miss Eastman has pointed out. We said that we regarded this bill chiefly as the means of awakening public attention and educating public sentiment. We did not regard it as final. The best legal advice we could obtain did not encourage us to go a step further than we went. Every member of the commission desired compulsory insurance in some form, but we were instructed that no such bill would have a hearing in the legislature or would, if it became a law, pass our conservative Supreme Court. We did outline in the report for the future a plan of insurance somewhat similar to that which is embodied in the German social legislation. It is our judgment now that after two years of agitation, our public will demand a law which goes further than we thought then had any chance with the legislature and with the courts, and bills will be presented which express this advance in public thought on the subject. The leading newspapers, which a short time since totally ignored the

whole subject, are keenly alive to the issue, and give us great aid in educating the public.

DR. FRANKEL: I am somewhat timed in speaking on this topic since I am one of those individuals referred to by Mr. Hoffman, who has just returned from Europe and who has been obtaining his information to some extent from the officials.

I have, however, had opportunity to interview not only officials, but the employers of labor in Germany as well; and, while Mr. Hoffman's solicitude for the latter group is very much to be admired, I doubt very much whether the German manufacturer himself appreciates it. From the interviews which I had with them, they do not seem to feel that they are at all in a bad plight. They fully realize that a burden has been imposed upon them, in that they must pay the cost of the accident insurance. On the other hand, they realize further that the introduction of compulsory accident insurance in Germany has tended to the improvement of industry in general. Partly as a result of this form of insurance, Germany has risen from ninth to third in the list of countries in exports.

Mr. Hoffman is right in assuming that we should not proceed in endeavoring to secure any new employers' liability legislation until we have sufficient facts at our disposal. I admire his caution, but there is a point beyond which caution is unnecessary. Mr. Hoffman's own statement that thirty thousand men were killed by accidents during the past year, with the admirable statistics presented by Miss Eastman this morning, are in themselves sufficient to indicate the need of a change of legislation from that which is common in the United States to-day. It is immaterial whether there are thirty thousand or forty thousand. The important

point to recognize is the existence of these conditions, and the necessity of taking some comprehensive action to overcome them.

JOHN MARTIN: The scheme of Accident Insurance recommended by Professor Lorenz appears to provide that a workman may, at his option, contract out of it and that his employer then ceases to be liable for the share of his contribution to the fund corresponding to this workman's share. Would not every reactionary or backward employer practically require every workman, as a condition of employment, thus to contract out of the act?